
Government of the District of Columbia



Executive Office of the Mayor

Testimony of
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***“February Revised Revenue
Allocation Emergency Act of 2006”***

Committee on the Whole
Linda W. Cropp, Chair
Council of the District of Columbia

February 6, 2005

Room 500
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004
1 P.M.

Good afternoon Chairman Cropp and other members of the Council. I am Kevin Clinton, Senior Advisor for Budget and Finance in the Executive Office of the Mayor. I am here to present testimony on Bill 16-591, the "February Revised Revenue Allocation Emergency Act of 2006". With me are Devon Brown, Director of the Department of Corrections; Vinny Shiraldi, Director of the Department of Youth Rehabilitation Services; and Janet Maher, Chief of Staff for the Child and Family Services Agency.

This Act would provide funding to the Department of Corrections in the amount of \$2,400,000; the Child and Family Services Agency in the amount of \$2,040,000; the Department of Youth Rehabilitation Services in the amount of \$2,344,000; and it would provide \$731,000 to fund the costs of implementing the proposed living wage components of the Living Wage Act to Medicaid-eligible providers.

This spending package would allocate \$7.5 million out of the total of \$33.9 million in revenue certified by the Chief Financial Officer above and beyond the other uses for additional revenue that were part of the FY 2006 budget. This is a modest proposal to allocate some -- but not all -- of new revenues to the areas representing the most pressing operational needs identified by the administration this fiscal year. This is also a package to fulfill legal mandates: funding for DYRS and CFSA provides resources to court mandated uses; funding for the Department of Corrections will help the District implement the Jail Improvement Act; and funding for the Way to Work Act will provide resources to expand the scope of the living wage provision currently under consideration by the Council. What you have before you today are those costs that are either absolutely essential or extremely timely.

The Council's attention will turn tomorrow to the historic school modernization plan which the Mayor fully supports. This proposal will not impact that plan for several reasons. There may be adequate funding for other sources to cover the \$100 million for FY 2007, including revenue to be certified next week, and funding for this initiative comes from a dedicated source -- the sales tax. Plus, the Mayor's FY 2007 budget proposal will adjust the budget, if necessary, to reflect this \$100 million commitment into the out years.

Child and Family Services Agency, \$2,040,000

This legislation would provide \$2,040,000 to the Child and Family Services Agency to support the agency's successful hiring efforts in FY 2006. The FY 2006 budget for CFSA was set with a vacancy rate of 17 percent in part because of the historic challenges the agency has had filling its vacancies. This year, however, the story is different.

The agency has 953 authorized FTEs and as of the end of January, the agency had 863 staff on board and start dates for an additional 21 positions, bringing the total to 884 employees. This represents a gain of 14 FTEs since the agency's October 2005 projections. And it translates into a vacancy rate of 7 percent, which is marked improvement over recent years.

CFSA has struggled mightily over the past four years to staff up a historically understaffed agency. While investment in personnel to date has made the local safety net for

abused and neglected children and troubled families stronger than it has ever been, the agency has additional critical performance goals that it must meet this year. With the current pace of hiring CFSA is approaching the level of current funding for personnel services, and needs leeway to hire enough staff to meet federal court requirements.

At the end of December 2005, CFSA had 241 investigators and case-carrying social workers. About a third of these social workers have caseloads larger than our court-ordered Final Implementation Plan permits. Spring and summer—the peak recruitment seasons for social work graduates—are just around the corner. Releasing this funding to CFSA now will the agency to continue aggressive recruitment without interruption and to take full advantage of the peak recruitment seasons.

The Council has already approved \$1 million in funding from the Pay-Go contingency fund for CFSA personal services costs this year and we appreciate this earlier Council action. This additional funding would mean that \$3 million out of total cuts of \$5 million from the Mayor's proposed budget will have been restored, but only after the agency has demonstrated the ability to hire these personnel. We were heartened last year to hear your encouragement to bring forth a proposal like this upon demonstrated need and capacity at the agency. And here we are.

Department of Youth Rehabilitation Services, \$2,344,000

This legislation would provide \$2,344,000 for the Department of Youth Rehabilitation Services to hire additional Youth Correctional Officers – or YCOs – and to fill positions that were previously funded for administrative and support functions. During 2005 DYRS was required to hire 126 additional YCOs to comply with the staffing recommendations of an expert, Dr. Nelson Griffis, retained by the Special Arbiter in the *Jerry M* case. In order to comply with this requirement, DYRS mounted an aggressive recruitment effort and hired 100 new YCOs. This recruitment initiative caused a severe shortfall in vacant positions in non-institutional programming areas.

In addition to hiring staff, the expert recommended that DYRS change to a unit scheduling model. The unit scheduling model places staff in the same living unit or pod on a day-to-day basis. This model helps staff acquire greater knowledge about the needs of youth on a unit, establish better supervision, and improve unit control. This scheduling model also promotes enhanced staff teamwork and reduces staff stress and physical fatigue. DYRS has been successful in its initial efforts to recruit staff; however, additional time will be required to fully implement the unit scheduling model envisioned by the experts.

Dr. Griffis arrived at his recommendation after 80 hours of staff and youth observations at Oak Hill and the Youth Services Center. While the Youth Services Center maintains a stable population of no more than 80 youth, the population at Oak Hill fluctuates. During Dr. Griffis' observations in May of 2005, the average daily population at Oak Hill was 150 youth. The population for the past several months has consistently hovered around 180 youth at Oak Hill. The additional funding will enable the department to fully comply with the Special Arbiter's staffing requirements and also to fill critical vacancies in other programming areas.

This funding will allow the department to build upon its success at reducing its historically high vacancy rate, which routinely reached 20 percent at the former Youth Services Administration as compared with the new department's rate of 5 percent.

Department of Corrections, \$2,400,000

This legislation would also provide \$2,400,000 to the DC Department of Corrections (DOC) to allow the agency to purchase additional contract bed space as part of its ongoing efforts to reduce the population at the Central Detention Facility (DC Jail), pursuant to the mandate of Bill 15-31, the District of Columbia Jail Improvement Act of 2003.

This funding will allow the agency to purchase additional contract bed space at the Correctional Treatment Facility, or CTF, and to purchase additional space at halfway houses. The DOC's current practice is to place short-term sentenced misdemeanants in halfway houses prior to their scheduled release. This is consistent with current correctional population management trends and it is an integral component of DOC's detention programs.

In an effort to further enhance the citizens of the District of Columbia's safety, DOC will also reinstitute the use of electronic monitoring devices, including Global Positioning Satellite (GPS) systems to track misdemeanant placements in halfway houses who have limited community resource (homeless, unemployment histories, lack of stable family ties, etc.) to ensure the maximum level of supervision until they are released from custody. This measure ensures that secure beds (located in the jail) are reserved for high-risk offenders committed to the DOC and low risk offenders are more appropriately housed in minimum-security facilities (halfway houses).

Placement of misdemeanants in halfway houses also provides an excellent opportunity for their transitional re-entry into the community under supervision, which further enhances their opportunities for being released from incarceration with both gainful employment and the skills necessary to maintain a constructive lifestyle.

It is important to note that the allocation of funding between halfway houses and CTF space is not specified by this proposal. This is because the agency must be able to respond to the changing trends and demographics of its population to properly allocate its contractual bed space. Initial projections indicate that this funding may support an additional 50 halfway house beds and 120 contract beds. However, if the number of eligible sentenced misdemeanants decreases at any point during the fiscal year, the agency must be able to pursue other population management options.

Way to Work Medicaid Provisions, \$731,000

Lastly, this legislation provides \$731,00 to fund the fiscal impact of Medicaid provisions in the Way to Work Act. The Administration, in proposing a living wage for employees of

District-assisted businesses, initially requested that there be an exemption for Medicaid providers. The Way to Work Taskforce maintained this exemption after its deliberation over the legislation last summer. The rationale behind this initial recommendation was that it was unclear how many employees of Medicaid providers would be affected by living wage legislation and, even if a living wage were provided, how the wage would be passed through to employees.

The Committee on Government Operations subsequently removed this exemption, which the Mayor supported based on a fiscal impact statement provided by the Chief Financial Officer indicating that the cost of providing an \$11.75/hour living wage to employees of Medicaid providers would cost \$2.4 million. The local share of this cost was estimated to be \$731,000 and \$400,000 for the remainder of FY 2006. I should note that the legislation before the Council, in order to be consistent with the fiscal impact statement, should be corrected to reflect \$400,000 rather than the annualized \$731,000 number.

I do want to take this opportunity to inform the Council that we will be revisiting this cost estimate between first and second reading of the Way to Work bill. The estimate produced by the Chief Financial Officer, which is built upon data of low-wage health workers, provides the best possible figure given the limitations of available data. Since the release of the fiscal impact, we have received a number of comments that this impact may be understated. Therefore, we need to look more closely at this number before final action is taken on the Way to Work bill so that we can be more certain about this estimate and avoid having an immediate spending pressure, should this estimate be too low.

While the Mayor supports moving forward with the proposed allocation before you, more work needs to be done, perhaps even an audit of Medicaid providers, to ensure the accuracy of the fiscal impact. We would like to work with Councilmember Orange and other interested Councilmembers to address this difficulty. We are also aware that there may be legislative language aimed at clarifying the definition of employees who would be affected by the legislation, so we would need to take that into consideration as well.

Thank you for the opportunity to testify before you today. I ask that my full testimony be entered into the record. Along with my fellow witnesses from the administration, I would be pleased to answer any questions you may have.